

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 2009-330-C - ORDER NO. 2009-904

DECEMBER 22, 2009

IN RE: Application of Alliance Global Networks,)	ORDER GRANTING
LLC for a Certificate of Public Convenience)	CERTIFICATE OF
and Necessity to Transact the Business of a)	PUBLIC CONVENIENCE
Reseller of Interexchange)	AND NECESSITY
Telecommunication Services)	

This matter comes before the Public Service Commission of South Carolina ("Commission") by way of the Application of Alliance Global Networks, LLC ("AGN" or the "Company") requesting a Certificate of Public Convenience and Necessity authorizing it to provide resold interexchange telecommunications services within the State of South Carolina. The Company's Application was filed pursuant to S.C. Code Ann. §58-9-280 (Supp. 2009) and the rules and regulations of the Commission. By its Application, AGN also requests alternative regulation of its business interexchange services consistent with Commission Orders, and waiver of certain Commission regulations.

The Commission's Docketing Department instructed AGN to publish, one time, a Notice of Filing in newspapers of general circulation in the areas of the state affected by the Application. The purpose of the Notice of Filing was to inform interested parties of the Application of AGN and of the manner and time in which to file the appropriate pleadings for participation in the proceeding. AGN complied with this instruction and

provided the Commission with proof of publication of the Notice of Filing. No Petitions to Intervene or Protests were filed.

Subsequently, AGN and the Office of Regulatory Staff (“ORS”) filed a Settlement Agreement attached hereto as Order Exhibit 1. A hearing was convened on November 9, 2009, at 10:00 a.m. in the offices of the Commission in Columbia, South Carolina, before B. Randall Dong, Hearing Examiner. AGN was represented by Bonnie D. Shealy, Esquire. The Office of Regulatory Staff was represented by Shealy B. Reibold, Esquire. Mary O’Keeffe, Treasurer of AGN, testified by way of teleconference in support of the Company’s Application. The record reveals that AGN is a limited liability company organized under the laws of the State of Delaware, which is registered to transact business in South Carolina. According to Ms. O’Keeffe, the Company seeks authority as a reseller of interexchange services. Ms. O’Keeffe explained the Company’s request for authority, and the record further reveals the Company’s services, operations, and marketing procedures. The Company intends to primarily market wholesale telecommunications services to other carriers and resellers in South Carolina. Ms. O’Keeffe testified that AGN does not currently intend to actively market retail service in South Carolina, but in the event that the Company’s business plan changes and it chooses to market service to end users, it will utilize telemarketing to promote its service. Ms. O’Keeffe also discussed AGN’s technical, financial, and managerial resources to provide the services for which it seeks authority. With regard to technical, financial, and managerial capabilities, the Company’s Application and Ms. O’Keeffe’s testimony both provide evidence that AGN’s management has extensive experience in

telecommunications, information technology, regulatory matters, and accounting and finance. Ms. O’Keeffe also testified that AGN will operate in accordance with Commission rules, regulations, guidelines, and Commission Orders. Ms. O’Keeffe offered that approval of AGN’s Application would serve the public interest.

Ms. O’Keeffe, on behalf of the Company, requests a waiver of 26 S.C. Code Ann. Regs. 103-610, since the Company’s books are maintained in another state. The Company also requests a waiver of any Commission policy that would require it to maintain its books under the Uniform System of Accounts (“USOA”) method. The Company uses Generally Accepted Accounting Principles (“GAAP”) to maintain its books. Therefore, according to the Company, it would create a hardship to maintain a separate accounting system.

After consideration of the applicable law, the Company’s Application, and the evidence presented at the hearing, the Commission hereby issues its findings of fact and conclusions of law:

FINDINGS OF FACT

1. Alliance Global Networks, LLC is organized under the laws of the State of Delaware as a limited liability company, and is authorized to do business in South Carolina by the Secretary of State.

2. Alliance Global Networks, LLC desires to operate as a provider of resold interexchange services in South Carolina.

3. We find that Alliance Global Networks, LLC possesses the managerial, technical, and financial experience and capability to operate as a provider, through resale, of interexchange services in South Carolina.

4. We find that the issuance of a Certificate of Public Convenience and Necessity to Alliance Global Networks, LLC to operate as a reseller of interexchange services in South Carolina would be in the best interest of the citizens of South Carolina by providing more innovative services.

5. Alliance Global Networks, LLC requests a waiver of 26 S.C. Code Ann. Regs. 103-610. The Company also requests a waiver of any Commission policy that would require it to maintain its books under the Uniform System of Accounts (“USOA”) method. The Company uses Generally Accepted Accounting Principles (“GAAP”) to maintain its books. Therefore, according to the Company, it would create a hardship to maintain a separate accounting system.

The Commission finds the Company’s requested waivers reasonable and understands the potential difficulty presented to the Company should the waivers not be granted.

6. The Company has the managerial, technical, and financial resources to provide the services as described in its Application.

CONCLUSIONS OF LAW

1. The Commission concludes that Alliance Global Networks, LLC possesses the managerial, technical, and financial resources to provide the telecommunications services as described in its Application.

2. The Commission concludes that the issuance of the authority to provide intrastate interexchange telecommunications services as requested by Alliance Global Networks, LLC and as set forth in its Application and Ms. O’Keeffe’s testimony is in the best interests of the citizens of the State of South Carolina.

3. The Commission concludes that a Certificate of Public Convenience and Necessity should be granted to Alliance Global Networks, LLC to provide resold intrastate interexchange telecommunications services.

4. The Commission adopts a rate design for Alliance Global Networks, LLC for its residential interexchange services, if any, which include maximum rate levels for each tariff charge. A rate structure incorporating maximum rate levels with the flexibility for adjustment below the maximum rate levels has been previously adopted by the Commission. *In Re: Application of GTE Sprint Communications Corporation, etc.*, Order No. 84-622, issued in Docket No. 84-10-C (August 2, 1984).

5. Alliance Global Networks, LLC shall not adjust its residential interexchange rates for end-users, if any, below the approved maximum level without notice to the Commission and to the public. Alliance Global Networks, LLC shall file its proposed rate changes, publish its notice of such changes, and file affidavits of publication with the Commission two weeks prior to the effective date of the changes. However, the public notice requirement is waived, and therefore not required, for reductions below the maximum cap in instances which do not affect the general body of subscribers or do not constitute a general rate reduction. *In Re: Application of GTE Sprint Communications, etc.*, Order No. 93-638, issued in Docket No. 84-10-C (July 16,

1993). Any proposed increase in the maximum rate level for residential interexchange services reflected in the tariff which would be applicable to the general body of the Company's subscribers shall constitute a general ratemaking proceeding and will be treated in accordance with the notice and hearing provisions of S.C. Code Ann. §58-9-540 (Supp. 2009).

6. The Commission concludes that the Company's intrastate interexchange business telecommunications services shall be regulated in accordance with the principles and procedures established for alternative regulation of business service offerings set out in Order Nos. 95-1734 and 96-55 in Docket No. 95-661-C. The Commission has previously granted this "alternative regulation" to competitive intrastate interexchange carriers operating within South Carolina, and the Commission concludes that the competitive marketplace requires the Commission to allow this flexible regulation to those carriers which request it. Specifically, the Commission-approved alternative regulation allows business service offerings, including consumer card services and operator services, to be subject to a relaxed regulatory scheme identical to that granted to AT&T Communications in Order Nos. 95-1734 and 96-55 in Docket No. 95-661-C.

However, pursuant to Order No. 2001-997 (Docket No. 2000-407-C), this Commission has modified alternative regulation by the re-imposition of rate caps with regard to certain "operator-assisted calls" where a customer uses a local exchange carrier's calling card to complete calls from locations which have not selected that local exchange carrier as the toll provider. Order No. 2001-997, dated November 8, 2001, imposed a maximum cap of \$1.75 for operator surcharges for such calls, and a maximum

cap of \$0.35 related to the flat per-minute rate associated with these calls. Under this relaxed regulatory scheme, tariff filings for business services shall be presumed valid upon filing. The Commission will have seven (7) days in which to institute an investigation of any tariff filing. If the Commission institutes an investigation of a particular tariff filing within the seven days, the tariff filing will then be suspended until further Order of the Commission.

7. We conclude that the Company's request for waiver of 26 S.C. Code Ann. Regs. 103-610 should be granted as strict compliance with the regulation would potentially cause undue hardship on that Company. We further find that the Company's requested waiver of any Commission requirement that its books and records be kept in accordance with the Uniform System of Accounts should be granted, as the Company maintains its books in accordance with Generally Accepted Accounting Principles. The requested waivers are not contrary to the public interest.

8. The Settlement Agreement between the Company and ORS should be approved.

IT IS THEREFORE ORDERED, ADJUDGED, AND DECREED THAT:

1. A Certificate of Public Convenience and Necessity should be granted to Alliance Global Networks, LLC to provide intrastate interexchange services through the resale of services authorized for resale by tariffs of carriers approved by the Commission within the State of South Carolina.

2. The Company's rate designs for its products shall conform to those designs described in Conclusions of Law above.

3. If it has not already done so by the date of issuance of this Order, AGN shall file its revised tariff utilizing the Commission's e-filing system for tariffs. The revised tariff should be electronically filed in a text searchable PDF format using the Commission's DMS System (<http://dms.psc.sc.gov>). An additional copy should be sent via email to etariff@psc.sc.gov to be included in the Commission's ETariff System (<http://etariff.psc.sc.gov>). Future revisions to the tariff should be made using the ETariff System. The revised tariff shall be consistent with the findings of this Order and shall be consistent with the Commission's Rules and Regulations, as well as the provisions of the Settlement Agreement.

4. The Company's service is subject to access charges pursuant to Commission Order No. 86-584, in which the Commission determined that for access purposes resellers and facilities-based interexchange carriers should be treated similarly.

5. With regard to the Company's resale of service, an end-user should be able to access another interexchange carrier or operator service provider if the end-user so desires.

6. Alliance Global Networks, LLC shall resell the services of only those interexchange carriers or LECs authorized to do business in South Carolina by this Commission. If Alliance Global Networks, LLC changes underlying carriers, it shall notify the Commission in writing.

7. With regard to the origination and termination of toll calls within the same LATA, Alliance Global Networks, LLC shall comply with the terms of Order No. 93-462, Order Approving Stipulation and Agreement, in Docket Nos. 92-182-C, 92-183-C,

and 92-200-C (June 3, 1993), with the exception of the 10-XXX intraLATA dialing requirement, which has been rendered obsolete by the toll dialing parity rules established by the FCC pursuant to the Telecommunications Act of 1996 (See, 47 CFR 51.209). Specifically, Alliance Global Networks, LLC shall comply with the imputation standard as adopted by Order No. 93-462 and more fully described in paragraph 4 of the Stipulation and Appendix B approved by Order No. 93-462.

8. Alliance Global Networks, LLC shall file annual financial information in the form of annual reports and gross receipts reports as required by the Commission. The annual report and the gross receipt report will necessitate the filing of intrastate information. Therefore, Alliance Global Networks, LLC shall keep financial records on an intrastate basis for South Carolina to comply with the annual report and gross receipts filings. The proper form for filing annual financial information can be found at the Commission's website at the ORS's website at www.regulatorystaff.sc.gov. The title of this form is "Telecommunications Company Annual Report." This form shall be utilized by the Company to file annual financial information with the Commission and ORS and shall be filed no later than **April 1st**.

Commission gross receipts forms are due to be filed with the Commission and ORS no later than **August 31st** of each year. The proper form for filing gross receipts information can be found at the ORS website at www.regulatorystaff.sc.gov, and the appropriate form is entitled "Gross Receipts Form."

Each telecommunications company certified in South Carolina is required to file annually with the ORS the Intrastate Universal Service Fund ("USF") worksheet, which

may be found on the ORS's website at www.regulatorystaff.sc.gov. This worksheet provides ORS information required to determine each telecommunications company's liability to the State USF fund. The Intrastate USF worksheet is due to be filed annually no later than **July 1st** with the Commission and ORS.

9. The Company shall, in compliance with Commission regulations, designate and maintain an authorized utility representative who is prepared to discuss, on a regulatory level, customer relations (complaint) matters, engineering operations, tests, and repairs. In addition, the Company shall provide to the Commission and ORS, in writing, the name of the authorized representative to be contacted in connection with general management duties as well as emergencies which occur during non-office hours. Alliance Global Networks, LLC shall file the names, addresses, and telephone numbers of these representatives with the Commission within thirty (30) days of receipt of this Order. The "Authorized Utility Representative Information" form can be found at the ORS website at www.regulatorystaff.sc.gov; this form shall be utilized for the provision of this information to the Commission and ORS. Further, the Company shall promptly notify the Commission and ORS in writing if the representatives are replaced.

10. The Company is directed to comply with all Rules and Regulations of the Commission, unless a regulation is specifically waived by the Commission.

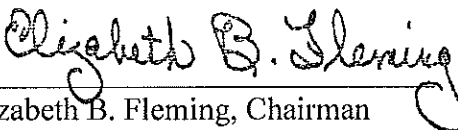
11. At the hearing, Alliance Global Networks, LLC requested a waiver of 26 Code Ann. Regs. 103-610 (Supp. 2009), and additionally requested that it be permitted to keep its books in accordance with GAAP rather than the USOA. The Commission finds the Company's requested waivers reasonable and understands the potential difficulties

presented to the Company should the waivers not be granted. The Commission therefore grants the requested waivers. However, the Company shall make available its books and records at all reasonable times upon request by the Office of Regulatory Staff, and the Company shall promptly notify the Commission and ORS if the location of its books and records changes.

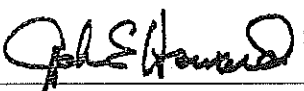
12. The Settlement Agreement between Alliance Global Networks, LLC and ORS is hereby approved.

13. This Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:


Elizabeth B. Fleming, Chairman

ATTEST:


John E. Howard, Vice Chairman
(SEAL)

BEFORE

THE PUBLIC SERVICE COMMISSION OF

SOUTH CAROLINA

DOCKET NO. 2009-330-C

In Re:)	
Application of Alliance Global Networks,)	
LLC for a Certificate of Public)	
Convenience and Necessity to Transact)	
the Business of a Reseller of)	SETTLEMENT AGREEMENT
Interexchange Telecommunications)	
Services)	

This Settlement Agreement ("Settlement Agreement") is made by and among the Office of Regulatory Staff ("ORS") and Alliance Global Networks, LLC ("Alliance" or "the Company") (collectively referred to as the "Parties" or sometimes individually as "Party");

WHEREAS, on August 4, 2009, the Company filed its Application requesting: (i) a Certificate of Public Convenience and Necessity be granted authorizing the Company to provide resold interexchange services throughout the State of South Carolina; (ii) alternative regulation of its interexchange services, consumer card services, operator services, and private line services consistent with Orders 95-1734 and 96-55 in Docket No. 96-661-C as modified by Order No. 2001-997 in Docket No. 2000-407-C; (iii) for waiver of certain Commission Regulations, specifically Regulation 103-610 regarding location of records; and (iv) a waiver of any requirement to maintain financial records in conformance with the Uniform System of Accounts ("USOA") because the Company utilizes Generally Accepted Accounting Principles (GAAP) to maintain its books and records;

WHEREAS, on August 6, 2009, counsel for ORS entered a Notice of Appearance in this

matter;

WHEREAS on August 18, 2009, the Commission issued a Notice of Filing and Hearing and established a return date of September 18, 2009, for the filing of letters of protest or petitions to intervene and established a hearing date of November 9, 2009, for the application to be heard before a hearing examiner;

WHEREAS, on August 18, 2009, the Commission issued its Order No. 2009-578 by which the Commission appointed Randall Dong, Esquire as the Hearing Examiner in this matter;

WHEREAS, on September 1, 2009, counsel for Alliance entered a Notice of Appearance in this matter;

WHEREAS, on September 28, 2009, the Company pre-filed the direct testimony of Mary O'Keeffe with the Commission;

WHEREAS, also on September 28, 2009, the Company filed Supplemental Exhibit D, consisting of updated financial information as of July 31, 2009, with the Commission;

WHEREAS, the purpose of this proceeding is to review the application filed by the Company and its requests: (i) for a Certificate of Public Convenience and Necessity to provide resold interexchange telecommunications services within the State of South Carolina; (ii) for alternative regulation of its interexchange services consistent with Orders 95-1734 and 96-55 in Docket No. 96-661-C as modified by Order No. 2001-997 in Docket No. 2000-407-C; (iii) for waiver of certain Commission Regulations, specifically Regulations 103-610 regarding location of records; and (iv) for waiver of any requirement to maintain financial records in conformance with the USOA;

WHEREAS, since the filing of the notice, ORS has conducted a review of the technical, managerial, and financial expertise of the Company to provide the services requested in the

Application;

WHEREAS, ORS has reviewed the Application and the financial data provided by the Company, and ORS has calculated certain performance ratios based upon information provided by the Company;

WHEREAS, ORS has investigated the services to be offered by the Company and its intended customer service plans;

WHEREAS, ORS has reviewed the proposed tariffs submitted by the Company;

WHEREAS, ORS has reviewed the prefiled testimony of Mary O'Keefe;

WHEREAS, as a result of its investigations, ORS has determined: (a) the Company intends to offer resold long-distance telecommunications services in the state of South Carolina; (b) the Company's officers possess sufficient technical and managerial abilities to adequately provide the services applied for; (c) based upon the information provided, the Company appears to have access to sufficient financial resources necessary to provide the services proposed in its application; (d) the Company's proposed tariffs with the amendments as agreed to in this Settlement Agreement comply with Commission statutes and regulations; (e) the services provided by the Company will meet the service standards required by the Commission; (f) the provision of services by the Company will not adversely impact the availability of affordable telecommunications services; (g) to the extent it is required to do so by the Commission, the Company will participate in the support of universally available telephone service at affordable rates; and (h) the provision of services by the Company will not adversely impact the public interest;

WHEREAS, to ensure compliance with the Commission's statutes and regulations, the Parties have agreed to the following comprehensive settlement of all issues in this docket;

WHEREFORE, in the spirit of compromise, the Parties hereby stipulate and agree to the following terms and conditions:

- 1) The Parties agree that the Company's Application and exhibits to the Application are incorporated into this Settlement Agreement and made a part hereof;
- 2) The Parties agree to stipulate into the record before the Commission this Settlement Agreement. The Parties also agree to stipulate to the pre-filed testimony of the Company's witness Mary O'Keeffe without cross-examination by ORS;
- 3) The Company has submitted financial data, which was provided as Exhibit D and Supplemental Exhibit D to the Application and which financial data is incorporated by reference;
- 4) The Parties agree that the Company should be granted a Certificate of Public Convenience and Necessity to provide resold interexchange telecommunications services within the state of South Carolina;
- 5) The Company has requested a waiver of 26 S.C. Code Ann. Regs. 103-610 concerning the location of books and records. However, S.C. Code Ann. §58-9-380 (Supp. 2008) provides that:

Each telephone utility shall have an office in one of the counties of this State in which its property or some part thereof is located and shall keep in such office all such books, accounts, papers and records as shall reasonably be required by the Office of Regulatory Staff. No books, accounts, papers or records required by the ORS to be kept within the State shall be removed at any time from the State except upon such conditions as may be prescribed by the Office of Regulatory Staff.

ORS is agreeable to allowing the Company to maintain its books and records outside of the State of South Carolina in exchange for the Company agreeing to provide access to its books and records. ORS is agreeable to the Company maintaining its books and records at its principal offices in the State of Connecticut, and the Company agrees to notify the ORS of any change in

the location of the principal office or in the location where the books and records are maintained. This provision of the Settlement Agreement shall not be construed as a waiver by ORS of S.C. Code Ann. § 58-4-55 (Supp. 2008) or § 58-9-1070 (Supp. 2008). ORS expressly reserves its rights to require the production of books, records, and other information located within or outside of the State of South Carolina in order to carry out its duties and compliance with any state or federal regulation;

6) The Company has requested a waiver of any rule or regulation that might require a carrier to maintain its financial records in conformance with the USOA. The Company acknowledges that S.C. Code Ann. § 58-9-340 (Supp. 2008) provides that the ORS may, in its discretion and subject to the approval of the Commission, prescribe systems of accounts to be kept by telephone utilities subject to the commission's jurisdiction and that the ORS may prescribe the manner in which the accounts shall be kept and may require every telephone utility to keep its books, papers, and records accurately and faithfully according to the system of accounts as prescribed by the ORS. The Company agrees to keep its books, papers, and records in such a manner that permits ORS to audit its revenues and expenses for compliance with programs such as but not limited to the Universal Service Fund ("USF"), the Interim LEC Fund, and gross receipts. The Company agrees to complete the reporting forms for programs such as but not limited to the annual report, USF, Interim LEC, and gross receipts as may be required by the ORS of telecommunications companies certificated to operate within South Carolina and as the reporting forms may be amended from time to time;

7) ORS does not oppose the Company's requests: (a) for alternative regulation of its interexchange business services, consumer card services, operator services, and private line service offerings consistent with the procedures described and set forth in Orders 95-1734 and

96-55 in Docket No. 96-661-C as modified by Order No. 2001-997 in Docket No. 2000-407-C, specifically (i) regulation of these services listed above in the same manner as these services are regulated for AT&T Communications of the Southern States, Inc., (ii) removal of the maximum rate tariff requirements for Alliance Global's business services, private line, and customer network-type offerings, except in instances governed by Order No. 2001-997 which reinstituted maximum rates for surcharges and rates associated with certain intrastate operator-assisted calls; (iii) presumptively valid tariff filings for these interexchange services unless an investigation of a particular filing is instituted within seven (7) days, in which case the tariff filing will be suspended until resolution of the investigation or until further order of the Commission; and (iv) allowing the Company the same treatment as AT&T Communications of the Southern States, Inc. in connection with any future relaxation of reporting requirements;

8) The Company agrees to resell the services only of those carriers authorized to do business in South Carolina by the Commission. The Company agrees to notify ORS and the Commission, in writing, if it changes its underlying interexchange carriers;

9) The Company agrees that it will allow an end-user of resold services to access an alternative interexchange carrier or operator service provider if the end-user expresses such a desire;

10) The Company agrees to file necessary financial and/or other information with the ORS and the Commission for universal service fund reporting, interim LEC fund reporting, annual reporting, gross receipts reporting, and/or any other reporting which may now or in the future be applicable to telecommunications providers such as the Company. The Parties agree that such reports shall be filed pursuant to ORS's instructions and monies shall be remitted in accordance with the directions of the ORS and the Commission requirements.

11) The Company agrees to maintain its books and records in a manner that would permit ORS to examine any of its reports filed with the Commission and provided to ORS.

12) The Company agrees to file with the Commission and ORS a completed authorized utility representative form within thirty (30) days of the Commission's order.

13) In the event the Company offers prepaid calling card services, it agrees that it shall post a surety bond or certificate of deposit for prepaid services in the amount of \$5,000 as required by the Commission;

14) The Company agrees to comply with the verification regulations governing change of preferred carriers as established by Federal Communications Commission ("FCC"). In addition, in the event that the Company offers long distance services to end users, the Company agrees to comply with the marketing practices and guidelines established by the Commission in Order No. 95-658;

15) The Company agrees to comply with South Carolina Code Section § 58-9-300 entitled "Abandonment of Service." Additionally, to the extent applicable, the Company agrees to adhere to the FCC's rule 47 C.F.R. §§ 64.1190 and 64.1130 regarding preferred carrier freezes and the requirement that the form of the written authorization for the institution of the freeze be a separate or easily separable document. Prior to abandonment of service, the Company shall remove any preferred carrier freeze so as to enable consumers to seamlessly transfer their telephone numbers to another provider;

16) The Company agrees to comply with all rules and regulations of the Commission unless the Commission has expressly waived such rule or regulation;

17) The Company agrees to file a final revised tariff with both the ORS and the Commission within thirty (30) days of the Commission's order, and the revised tariff shall reflect

and be in accordance with ORS's recommendations as set forth in the summary attached as Exhibit 1 to this Settlement Agreement.

18) ORS is charged by law with the duty to represent the public interest of South Carolina pursuant to S.C. Code § 58-4-10 (B). S.C. Code § 58-4-10(B)(1) through (3) read in part as follows:

... 'public interest' means a balancing of the following:

- (1) concerns of the using and consuming public with respect to public utility services, regardless of the class of customer;
- (2) economic development and job attraction and retention in South Carolina; and
- (3) preservation of the financial integrity of the State's public utilities and continued investment in and maintenance of utility facilities so as to provide reliable and high quality utility services.

ORS believes the Settlement Agreement reached among the Parties serves the public interest as defined above;

19) The Parties agree to advocate that the Commission accept and approve this Settlement Agreement in its entirety as a fair, reasonable and full resolution of all issues in the above-captioned proceeding and that the Commission take no action inconsistent with its adoption. The Parties further agree to cooperate in good faith with one another in recommending to the Commission that this Settlement Agreement be accepted and approved by the Commission. The Parties agree to use reasonable efforts to defend and support any Commission order issued approving this Settlement Agreement and the terms and conditions contained herein.

20) The Parties agree that signing this Settlement Agreement will not constrain, inhibit, impair or prejudice their arguments or positions held in other collateral proceedings, nor will it constitute a precedent or evidence of acceptable practice in future proceedings. If the Commission declines to approve the Settlement Agreement in its entirety, then any Party

desiring to do so may withdraw from the Settlement Agreement in its entirety without penalty or obligation.

21) This Settlement Agreement shall be interpreted according to South Carolina law.

22) The above terms and conditions fully represent the agreement of the Parties hereto. Therefore, each Party acknowledges its consent and agreement to this Settlement Agreement by affixing its signature or by authorizing counsel to affix his or her signature to this document where indicated below. Counsel's signature represents his or her representation that his or her client has authorized the execution of the agreement. Facsimile signatures and email signatures shall be as effective as original signatures to bind any party. This document may be signed in counterparts, with the original signature pages combined with the body of the document constituting an original and provable copy of this Settlement Agreement. The Parties agree that in the event any Party should fail to indicate its consent to this Settlement Agreement and the terms contained herein, then this Settlement Agreement shall be null and void and will not be binding on any Party.

>

WE AGREE:

Representing the Office of Regulatory Staff

Shealy Boland Reibold

Shealy Boland Reibold, Esquire

Office of Regulatory Staff

1401 Main Street, Suite 900

Columbia, SC 29201

Telephone: (803) 737-0863

Fax: (803) 737-0895

Email: sreibol@regstaff.sc.gov

October 9, 2009

Date

WE AGREE:

Representing Alliance Global Networks, LLC

Bonnie D. Shealy

Bonnie Shealy, Esquire

Robinson McFadden & Moore, PC

P.O. Box 944

Columbia, SC 29202

Telephone: (803) 779-8900

Fax: (803) 252-0724

bshealy@robinsonlaw.com

October 9, 2009

Date

Alliance Global Networks, LLC has agreed to incorporate the following changes in the tariffs filed with its application

Section 1—Definitions of Terms

Original Page No. 13—The Company should add the following language to the end of the definition for “Individual Case Basis”—“All ICB’s will be available to the Commission and ORS upon request.”

Section 2—Rules and Regulations

Original Page No. 19 2.2.10—The Company should remove reference to written notice being required of the customer. According to S.C. Code Regs. 103-624.3, notice may be oral or in writing.

Original Page No. 26 2.8.3—The Company should correct the regulation number to 103-621.

Original Page No. 26 2.8.4—The Company should modify the ORS address (phone numbers will remain the same)

Office of Regulatory Staff
Consumer Services Division
1401 Main Street, Suite 900
Columbia, SC 29201

Section 3—Description of Services

--There are no recommendations for Section 3.

Section 4—Current Rates

Original Page No. 36 4.9.1—The Company should add the following language to the end of the paragraph—“The Company will provide written notice of such promotions with the Commission and ORS.”

Section 5—Maximum Rates-Residential

Original Page No. 37—The Title of the Section references that this section sets forth the maximum rates for residential services. However, Section 4 and Section 5 reference Business. Are the company’s services exclusively business or residential? Or are the rate charts referring to a business day—the period in which business is conducted?)

Original Page No. 38 5.2-- The Company need not include maximum rates if this service is exclusively provided to business customers according to Alternative Regulation.

EXHIBIT 1

Exhibit to Settlement Agreement between
Alliance Global Networks, LLC and ORS

2

Original Page No. 39 5.3—The Company need not include maximum rates if this service is exclusively provided to business customers according to Alternative Regulation.

Original Page No. 40 5.4—The Company need not include maximum rates if this service is exclusively provided to business customers according to Alternative Regulation.

Original Page No. 41 5.5-- The Company need not include maximum rates if this service is exclusively provided to business customers according to Alternative Regulation.

Original Page No. 42 5.6—The Company is not required to include maximum rates for calling card services.

Additional Recommendations for SC Tariff No. 1

- 1) If the Company charges any installation, connection, maintenance, or termination charges, etc. (in addition to the services listed in the tariff), these additional charges and the descriptions of the charges should be listed in the tariff with their current and maximum rates.
- 2) The Company should also provide tariffs and tariff revisions to the South Carolina Public Service Commission as well as the South Carolina Office of Regulatory Staff (S.C. Code Regs. 103-629).
- 3) If the Company's Services involve Prepaid Services, the Company may be required to post a \$5, 000 Surety Bond with the Public Service Commission.
- 4) The Company is applying for Modified Alternate Regulation by the PSC for its Interexchange tariff. As a general rule, the Company should include maximum rates and current rates for any service that may impact residential Customers. Any service that impacts Business Long Distance, Consumer Cards, and Operator Services (Including Directory Assistance) are exempt from maximum rates. Only current rates would need to be filed for these services.